

NORTH CAROLINA TURNPIKE AUTHORITY EDUCATIONAL RETREAT

SEPTEMBER 11 – 12, 2003
PEACE COLLEGE
RALEIGH, NORTH CAROLINA

MINUTES

The North Carolina Turnpike Authority met on September 11 for an educational retreat at Peace College. The meeting continued until noon on September 12, 2003. Chairman Lyndo Tippet called the meeting to order at 1:00 P.M. Chairman Tippet read the ethics statement per the Governor's Executive Order #1. He thanked everyone for attending and stated we were here to continue training and orientation and to learn more about our role in developing a toll road program for North Carolina. He stated that beginning in October, TIP meetings would be held across the state to allow citizens, local leaders and civic organizations an opportunity to discuss their project recommendations for inclusion in the draft TIP. These meetings will also be one of the first opportunities the public will have to give us their suggestions and requests for potential toll road projects for consideration by the Turnpike Authority.

Chairman Tippet turned the meeting over to Vic Poteat of PBSJ. Mr. Poteat reviewed the schedule of events for the meeting the steps involved in getting organized as a toll entity and recapped the objectives and proposed schedule of activities for the next two years. He introduced the theme of the retreat, "Customer Focused – Mobility Driven".

Mr. Keith Denton then addressed development of a business plan. He mentioned the enabling legislation needs to be reviewed to identify "reporting" obligations and other tasks that must be implemented by the Authority. Basic elements of the business plan would include the following:

- Ethics Policy
- Bylaws
- Organizations and staffing
- Funding and budget
- Project evaluation criteria and process
- Two-Year Plan
- Public Education Program

Mr. Denton presented a video highlighting The Florida Turnpike's implementation of their Enterprise model as an example of taking a corporate approach with their business plan. He provided examples of mission statements, policies, bylaw

elements, and project assessment criteria. With regard to the latter, it was noted that the criteria being presented were suggestions and examples, not absolutes.

Mr. Poteat followed with presentation on the proposed education program for the Authority Board. He discussed the program-level span of activities for which the Authority would be responsible, then showed a video of the Orlando / Orange County Expressway Authority's development of their "Expressway 2025" master plan as an example of taking a system-based approach in pursuing strategic long-range planning activities. He then went into further detail as to work program and project implementation activities and provided a sample timeline.

Mr. Denton next expanded on his presentation at the July 10 Board meeting dealing with the nature and status of the US toll industry. He offered observations on the growing problem of urban congestion and the role of toll agencies in addressing the issue. He next reviewed some of the terminology commonly used in the industry. Subsequent discussion touched on project financing, including different financing tools used, project viability, and bonding, as well as the merits of design/build projects versus conventional design/bid/build. Illustrations were given from various projects, including those of the Orlando / Orange County Expressway Authority, the E-470 project in Colorado, the SR 91 express lanes in California, and the VA 895 (Pocohontas Parkway) project in Virginia.

Friday's session commenced with presentation by Mr. Poteat on how toll entities pursue and accomplish their objectives, highlighted with a video on the E-470 Public Highway Authority in Colorado. The video documented the agency's startup activities and partnering with local government to develop funding. Further discussion ensued on such topics as debt service management, including refinancing of debt, and debt retirement; toll fee structuring and differential tolling.

Mr. Poteat presented a proposed schedule of events covering elements of five basic activities: business plan, education plan, work program development and approval by the Board of Transportation, and project development. He clarified their consulting role as extending only to completion of the education program and that the Board will need to consider how they wish to proceed with work program development and subsequent activities.

The consulting team then solicited response from Board members as to what had been covered in the retreat. Issues raised included the need to schedule and plan meetings over an extended period, consistent with a one-year plan; what

would constitute a reasonable level of accomplishment at the end of the first year, and potential pitfalls or impediments to getting to that point; development of a “key events” schedule; and the critical nature of public and legislative support.

Mr. Culbertson asked to see case studies of the last five years of the most recently completed toll roads, hurdles etc. Calvin Leggett asked PBS&J to prepare a compilation of the mistakes other agencies have made, for Board Members’ information.

Suggested topics for the October meeting included further discussion and clarification of NCTA statutes by Bob Crawford; a draft schedule for the first year using Pert chart method; review of tolling case studies; review of the draft ethics policy and bylaws distributed to the Board Members. David King suggested discussion of the I-95 tolling process.

Calvin Leggett asked the members to look at the web site and provide comments at the next meeting. He also asked the members to review the bylaws and ethics policy previously distributed and to be prepared to offer comments at the next meeting.

The members decided to meet on October 9 starting around 10:30 A. M. with a working lunch and continue into the afternoon. They also decided to meet again on November 6 with a working lunch and continue into the afternoon.

Board Member Bob Spencer invited the Board to meet in Gaston County on December 5 to have a presentation on the Gaston Parkway Project and discussion.

Mr. Jeff Readeron of NCDOT facilitated a critique of the retreat. Positives included the venue, use of videos, handout materials, and the dinner arrangements that provided opportunity for more informal interaction among participants. Areas for improvement included more clarification on the roles of those conducting the workshop, and physical layout of the room from a line-of-sight standpoint.

The meeting concluded at 11:45.

Minutes Prepared by Alice Murphy

